

From: Johnston, Rob [johnstonr@intertechsc.com]
Sent: Thursday, February 25, 2010 3:17 PM
To: Alvarez, Colanthia
Subject: Protest SCE&G Rate Increase Request - Docket # 2009-489-E

Dear Public Service Commission of South Carolina,

I am writing to express my outrage at the proposed 9.52% rate increase requested by SCE&G. This rate increase is in addition to the already approved multi-year annual increases of 2.5% for the new nuclear power plants.

The 9.52% increase is both unjustified and will cause undue economic hardship to the State of South Carolina and its citizens.

I ask that the PSC examine in great detail the following expense items within SCANA / SCE&G:

- (i) executive compensation (to include all compensation and expense accounts)
- (ii) compensation paid to SCANA Directors
- (iii) lobbying and legal expenses incurred by SCANA / SCE&G
- (iv) advertising expenses
- (v) political contributions
- (vi) executive travel
- (vii) a fulsome review of the timing for capital investments already made or being made by SCE&G
- (viii) The bidding process used by SCE&G to procure capital equipment
- (ix) Salary levels for all SCE&G employees and comparisons to private sector employees
- (x) The number of employees and contractors employed by SCE&G in contrast to other utilities
- (xi) Detailed review of why SCE&G rates are so dramatically higher than Santee Cooper and investor owned utilities in South Carolina

I feel strongly that SCANA / SCE&G are operating under an outdated "cost plus" paradigm where all of their profligate spending is simply passed on to consumers with an "appropriate" mark-up.

There is no justification for executive compensation at SCANA to be substantially in excess of the President of the United States, the Governor of the State of South Carolina and the CEO's of many of the country's largest banks. According to the 2008 SCANA proxy statement, total compensation for W.B. Timmerman, the President and CEO was \$6,821,202. The next four highest paid executives total compensation packages were \$2,627,308, \$1,945,421, \$1,752,564 and \$1,365,318 for a total payout of more than \$14.5 million for only five named executives!

I ask that the PSC examine the recent ruling in the Florida Power and Light decision and follow the lead of the Florida regulators and DENY this request outright. If SCE&G wants a legitimate increase, then they should need to show the Commission how they have taken actions that all competitive businesses in this state are taking. These actions should include drastic salary cuts to senior management pay, sizeable headcount reduction, elimination of all political contributions and lobbying efforts and outsourcing all functions to lower cost providers.

South Carolina residents, the State Government, towns and cities, hospitals and schools and all businesses deserve the lowest cost utility rates and I urge the PSC to take actions to stop SCE&G from causing any additional harm to this state.

Yours truly,

Robert Johnston
3305 Hartnett Blvd.

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